

## Mapping the Global Future: Report of the National Intelligence Council's 2020 Project

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### Introduction

The following is the Executive Summary of *Mapping the Global Future: Report of the National Intelligence Council's 2020 Project*. The full report, as authored by the National Intelligence Council and presented at the conference by Dan Flynn, is available by clicking [here](#).

***At no time since the formation of the Western alliance system in 1949 have the shape and nature of international alignments been in such a state of flux.***

The end of the Cold War shifted the tectonic plates, but the repercussions from these momentous events are still unfolding. Emerging powers in Asia, retrenchment in Eurasia, a roiling Middle East, and transatlantic divisions are among the issues that have only come to a head in recent years. The very magnitude and speed of change resulting from a globalizing world—apart from its precise character—will be a defining feature of the world out to 2020. Other significant characteristics include: the rise of new powers, new challenges to governance, and a more pervasive sense of insecurity, including terrorism. As we map the future, the prospects for increasing global prosperity and the limited likelihood of great power conflict provide an overall favorable environment for coping with what are otherwise daunting challenges. ***The role of the United States will be an important variable in how the world is shaped, influencing the path that states and nonstate actors choose to follow.***

### New Global Players

***The likely emergence of China and India, as well as others, as new major global players—similar to the advent of a united Germany in the 19th century and a powerful United States in the early 20th century—will transform the geopolitical landscape, with impacts potentially as dramatic as those in the previous two centuries.*** In the same way that commentators refer to the 1900s as the “American Century,” the 21st century may be seen as the time when Asia, led by China and India, comes into its own. A combination of sustained high economic growth, expanding military capabilities, and large populations will be at the root of the expected rapid rise in economic and political power for both countries.

- Most forecasts indicate that by 2020 China's gross national product (GNP) will exceed that of individual Western economic powers except for the United States. India's GNP will have overtaken or be on the threshold of overtaking European economies.
- Because of the sheer size of China's and India's populations—projected by the U.S. Census Bureau to be 1.4 billion and almost 1.3 billion respectively by 2020—their standard of living need not approach Western levels for these countries to become important economic powers.

Barring an abrupt reversal of the process of globalization or any major upheavals in these countries, the rise of these new powers is a virtual certainty. Yet how China and India exercise their growing power and whether they relate cooperatively or competitively to other powers in the international system are key uncertainties. The economies of other developing countries, such as Brazil, could surpass all but the largest European countries by 2020; Indonesia's economy could also approach the economies of individual European countries by 2020.

By most measures—market size, single currency, highly skilled work force, stable democratic governments, and unified trade bloc—an enlarged Europe will be able to increase its weight on the international scene. Europe's strength could be in providing a model of global and regional governance to the rising powers. But aging populations and shrinking work forces in most countries will have an important impact on the continent. Either European countries adapt their work forces, reform their social welfare, education, and tax systems, and accommodate growing immigrant populations (chiefly from Muslim countries), or they face a period of protracted economic stasis.

Japan faces a similar aging crisis that could crimp its longer run economic recovery, but it also will be challenged to evaluate its regional status and role. Tokyo may have to choose between "balancing" against or "bandwagoning" with China. Meanwhile, the crisis over North Korea is likely to come to a head sometime over the next 15 years. Asians' lingering resentments and concerns over Korean unification and cross-Taiwan Strait tensions point to a complicated process for achieving regional equilibrium.

Russia has the potential to enhance its international role with others due to its position as a major oil and gas exporter. However, Russia faces a severe demographic crisis resulting from low birth rates, poor medical care, and a potentially explosive AIDS situation. To the south, it borders an unstable region in the Caucasus and Central Asia, the effects of which—Muslim extremism, terrorism, and endemic conflict—are likely to continue spilling over into Russia. While these social and political factors limit the extent to which Russia can be a major global player, Moscow is likely to be an important partner both for the established powers, the United States and Europe, and for the rising powers of China and India.

With these and other new global actors, **how we mentally map the world in 2020 will change radically**. The "arriviste" powers—China, India, and perhaps others such as Brazil and Indonesia—have the potential to render obsolete the old categories of East and West, North and South, aligned and nonaligned, developed and developing. Traditional geographic groupings will increasingly lose salience in international relations. A state-bound world and a world of mega-cities, linked by flows of telecommunications, trade and finance, will co-exist. Competition for allegiances will be more open, less fixed than in the past.

## Impact of Globalization

**We see globalization**—growing interconnectedness reflected in the expanded flows of information, technology, capital, goods, services, and people throughout the world—**as an overarching "mega-trend," a force so ubiquitous that it will substantially shape all the**

**other major trends in the world of 2020.** But the future of globalization is not fixed; states and nonstate actors—including both private companies and NGOs—will struggle to shape its contours. Some aspects of globalization—such as the growing global interconnectedness stemming from the information technology (IT) revolution—almost certainly will be irreversible. Yet it is also possible, although unlikely, that the process of globalization could be slowed or even stopped, just as the era of globalization in the late 19th and early 20th centuries was reversed by catastrophic war and global depression.

Barring such a turn of events, **the world economy is likely to continue growing impressively: by 2020, it is projected to be about 80 percent larger than it was in 2000, and average per capita income will be roughly 50 percent higher.** Of course, there will be cyclical ups and downs and periodic financial or other crises, but this basic growth trajectory has powerful momentum behind it. Most countries around the world, both developed and developing, will benefit from gains in the world economy. By having the fastest-growing consumer markets, more firms becoming world-class multinationals, and greater S&T stature, Asia looks set to displace Western countries as the focus for international economic dynamism—provided Asia's rapid economic growth continues.

**Yet the benefits of globalization won't be global.** Rising powers will see exploiting the opportunities afforded by the emerging global marketplace as the best way to assert their great power status on the world stage. In contrast, some now in the "First World" may see the closing gap with China, India, and others as evidence of a relative decline, even though the older powers are likely to remain global leaders out to 2020. The United States, too, will see its relative power position eroded, though it will remain in 2020 the most important single country across all the dimensions of power. Those left behind in the developing world may resent China and India's rise, especially if they feel squeezed by their growing dominance in key sectors of the global marketplace. And large pockets of poverty will persist even in "winner" countries.

**The greatest benefits of globalization will accrue to countries and groups that can access and adopt new technologies.** Indeed, a nation's level of technological achievement generally will be defined in terms of its investment in integrating and applying the new, globally available technologies—whether the technologies are acquired through a country's own basic research or from technology leaders. The growing two-way flow of high-tech brain power between the developing world and the West, the increasing size of the information computer-literate work force in some developing countries, and efforts by global corporations to diversify their high-tech operations will foster the spread of new technologies. High-tech breakthroughs—such as in genetically modified organisms and increased food production—could provide a safety net eliminating the threat of starvation and ameliorating basic quality of life issues for poor countries. But the gap between the "haves" and "have-nots" will widen unless the "have-not" countries pursue policies that support application of new technologies—such as good governance, universal education, and market reforms.

Those countries that pursue such policies could leapfrog stages of development, skipping over phases that other high-tech leaders such as the United States and Europe had to traverse in order to advance. **China and India are well positioned to become technology leaders, and even the poorest countries will be able to leverage prolific, cheap technologies to fuel—although at a slower rate—their own development.**

- The expected next revolution in high technology involving the convergence of nano-, bio-, information and materials technology could further bolster China and India's prospects. Both countries are investing in basic research in these fields and are well placed to be leaders in a number of key fields. Europe risks slipping behind Asia in some of these technologies. The United States is still in a position to retain its overall lead, although it must increasingly compete with Asia to retain its edge and may lose significant ground in some sectors.

***More firms will become global, and those operating in the global arena will be more diverse, both in size and origin, more Asian and less Western in orientation. Such corporations, encompassing the current, large multinationals, will be increasingly outside the control of any one state and will be key agents of change in dispersing technology widely, further integrating the world economy, and promoting economic progress in the developing world.*** Their ranks will include a growing number based in such countries as China, India, or Brazil. While North America, Japan, and Europe might collectively continue to dominate international political and financial institutions, globalization will take on an increasingly non-Western character. By 2020, globalization could be equated in the popular mind with a rising Asia, replacing its current association with Americanization.

An expanding global economy will increase demand for many raw materials, such as oil. Total energy consumed probably will rise by about 50 percent in the next two decades compared to a 34 percent expansion from 1980-2000, with a greater share provided by petroleum. Most experts assess that with substantial investment in new capacity, overall energy supplies will be sufficient to meet global demands. But on the supply side, many of the areas—the Caspian Sea, Venezuela, and West Africa—that are being counted on to provide increased output involve substantial political or economic risk. Traditional suppliers in the Middle East are also increasingly unstable. ***Thus sharper demand-driven competition for resources, perhaps accompanied by a major disruption of oil supplies, is among the key uncertainties.***

- China, India, and other developing countries' growing energy needs suggest a growing preoccupation with energy, shaping their foreign policies.
- For Europe, an increasing preference for natural gas may reinforce regional relationships—such as with Russia or North Africa—given the interdependence of pipeline delivery.

## **New Challenges to Governance**

***The nation-state will continue to be the dominant unit of the global order, but economic globalization and the dispersion of technologies, especially information technologies, will place enormous new strains on governments.*** Growing connectivity will be accompanied by the proliferation of virtual communities of interest, complicating the ability of states to govern. The Internet in particular will spur the creation of even more global movements, which may emerge as a robust force in international affairs.

Part of the pressure on governance will come from new forms of identity politics centered on religious convictions. In a rapidly globalizing world experiencing population shifts, religious identities provide followers with a ready-made community that serves as a “social safety net” in times of need—particularly important to migrants. In particular, ***political Islam will have a significant global impact leading to 2020, rallying disparate ethnic and national groups and perhaps even creating an authority that transcends national boundaries.*** A combination of factors—youth bulges in many Arab states, poor economic prospects, the influence of religious education, and the Islamization of such institutions as trade unions, nongovernmental organizations, and political parties—will ensure that political Islam remains a major force.

- Outside the Middle East, political Islam will continue to appeal to Muslim migrants who are attracted to the more prosperous West for employment opportunities but do not feel at home in what they perceive as an alien and hostile culture.

Regimes that were able to manage the challenges of the 1990s could be overwhelmed by those of 2020. Contradictory forces will be at work: authoritarian regimes will face new pressures to democratize, but fragile new democracies may lack the adaptive capacity to survive and develop.

***The so-called “third wave” of democratization may be partially reversed by 2020—particularly among the states of the former Soviet Union and in Southeast Asia, some of which never really embraced democracy.*** Yet democratization and greater pluralism could gain ground in key Middle Eastern countries which thus far have been excluded from the process by repressive regimes.

With migration on the increase in several places around the world—from North Africa and the Middle East into Europe, Latin America and the Caribbean into the United States, and increasingly from Southeast Asia into the northern regions—more countries will be multi-ethnic and will face the challenge of integrating migrants into their societies while respecting their ethnic and religious identities.

Chinese leaders will face a dilemma over how much to accommodate pluralistic pressures to relax political controls or risk a popular backlash if they do not. Beijing may pursue an “Asian way of democracy,” which could involve elections at the local level and a consultative mechanism on the national level, perhaps with the Communist Party retaining control over the central government.

***With the international system itself undergoing profound flux, some of the institutions that are charged with managing global problems may be overwhelmed by them.*** Regionally based institutions will be particularly challenged to meet the complex transnational threats posed by terrorism, organized crime, and WMD proliferation. Such post-World War II creations as the United Nations and the international financial institutions risk sliding into obsolescence unless they adjust to the profound changes taking place in the global system, including the rise of new powers.

## **Pervasive Insecurity**

We foresee a more pervasive sense of insecurity—which may be as much based on psychological perceptions as physical threats—by 2020. ***Even as most of the world gets richer, globalization will profoundly shake up the status quo—generating enormous economic, cultural, and consequently political convulsions.*** With the gradual integration of China, India, and other emerging countries into the global economy, hundreds of millions of working-age adults will become available for employment in what is evolving into a more integrated world labor market.

- This enormous work force—a growing portion of which will be well educated—will be an attractive, competitive source of low-cost labor at the same time that technological innovation is expanding the range of globally mobile occupations.
- ***The transition will not be painless and will hit the middle classes of the developed world in particular,*** bringing more rapid job turnover and requiring professional retooling. Outsourcing on a large scale would strengthen the anti-globalization movement. Where these pressures lead will depend on how political leaders respond, how flexible labor markets become, and whether overall economic growth is sufficiently robust to absorb a growing number of displaced workers.

***Weak governments, lagging economies, religious extremism, and youth bulges will align to create a perfect storm for internal conflict in certain regions.*** The number of internal conflicts is down significantly since the late 1980s and early 1990s when the breakup of the Soviet Union and Communist regimes in Central Europe allowed suppressed ethnic and nationalistic strife to flare. Although a leveling off point has been reached where we can expect fewer such conflicts than during the last decade, the continued prevalence of troubled and institutionally weak states means that such conflicts will continue to occur.



Some internal conflicts, particularly those that involve ethnic groups straddling national boundaries, risk escalating into regional conflicts. At their most extreme, internal conflicts can result in failing or failed states, with expanses of territory and populations devoid of effective governmental control. Such territories can become sanctuaries for transnational terrorists (such as al-Qa'ida in Afghanistan) or for criminals and drug cartels (such as in Colombia).

***The likelihood of great power conflict escalating into total war in the next 15 years is lower than at any time in the past century, unlike during previous centuries when local conflicts sparked world wars.*** The rigidities of alliance systems before World War I and during the interwar period, as well as the two-bloc standoff during the Cold War, virtually assured that small conflicts would be quickly generalized. The growing dependence on global financial and trade networks will help deter interstate conflict but does not eliminate the possibility. Should conflict occur that involved one or more of the great powers, the consequences would be significant. The absence of effective conflict resolution mechanisms in some regions, the rise of nationalism in some states, and the raw emotions and tensions on both sides of some issues—for example, the Taiwan Strait or India/Pakistan issues—could lead to miscalculation. Moreover, advances in modern weaponry—longer ranges, precision delivery, and more destructive conventional munitions—create circumstances encouraging the preemptive use of military force.

Current nuclear weapons states will continue to improve the survivability of their deterrent forces and almost certainly will improve the reliability, accuracy, and lethality of their delivery systems as well as develop capabilities to penetrate missile defenses. The open demonstration of nuclear capabilities by any state would further discredit the current nonproliferation regime, cause a possible shift in the balance of power, and increase the risk of conflicts escalating into nuclear ones. ***Countries without nuclear weapons—especially in the Middle East and Northeast Asia—might decide to seek them as it becomes clear that their neighbors and regional rivals are doing so.*** Moreover, the assistance of proliferators will reduce the time required for additional countries to develop nuclear weapons.

## **Transmuting International Terrorism**

***The key factors that spawned international terrorism show no signs of abating over the next 15 years.*** Facilitated by global communications, the revival of Muslim identity will create a framework for the spread of radical Islamic ideology inside and outside the Middle East, including Southeast Asia, Central Asia and Western Europe, where religious identity has traditionally not been as strong. This revival has been accompanied by a deepening solidarity among Muslims caught up in national or regional separatist struggles, such as Palestine, Chechnya, Iraq, Kashmir, Mindanao, and southern Thailand, and has emerged in response to government repression, corruption, and ineffectiveness. Informal networks of charitable foundations, *madrassas*, *hawalas*<sup>[1]</sup>, and other mechanisms will continue to proliferate and be exploited by radical elements; alienation among unemployed youths will swell the ranks of those vulnerable to terrorist recruitment.

***We expect that by 2020 al-Qa'ida will be superseded by similarly inspired Islamic extremist groups,*** and there is a substantial risk that broad Islamic movements akin to al-Qa'ida will merge with local separatist movements. Information technology, allowing for instant connectivity, communication, and learning, will enable the terrorist threat to become increasingly decentralized, evolving into an eclectic array of groups, cells, and individuals that do not need a stationary headquarters to plan and carry out operations. Training materials, targeting guidance, weapons know-how, and fund-raising will become virtual (i.e., online).

Terrorist attacks will continue to primarily employ conventional weapons, incorporating new twists and constantly adapting to counterterrorist efforts. Terrorists probably will be most original not in

the technologies or weapons they use but rather in their operational concepts—i.e., the scope, design, or support arrangements for attacks.

Strong terrorist interest in acquiring chemical, biological, radiological and nuclear weapons increases the risk of a major terrorist attack involving WMD. *Our greatest concern is that terrorists might acquire biological agents or, less likely, a nuclear device, either of which could cause mass casualties.* Bioterrorism appears particularly suited to the smaller, better-informed groups. We also expect that terrorists will attempt cyber attacks to disrupt critical information networks and, even more likely, to cause physical damage to information systems.

## Possible Futures

In this era of great flux, we see several ways in which major global changes could take shape in the next 15 years, from seriously challenging the nation-state system to establishing a more robust and inclusive globalization. In the body of this paper we develop these concepts in four fictional scenarios which were extrapolated from the key trends we discuss in this report. *These scenarios are not meant as actual forecasts*, but they describe possible worlds upon whose threshold we may be entering, depending on how trends interweave and play out:

- *Davos World* provides an illustration of how robust economic growth, led by China and India, over the next 15 years could reshape the globalization process—giving it a more non-Western face and transforming the political playing field as well.
- *Pax Americana* takes a look at how U.S. predominance may survive the radical changes to the global political landscape and serve to fashion a new and inclusive global order.
- *A New Caliphate* provides an example of how a global movement fueled by radical religious identity politics could constitute a challenge to Western norms and values as the foundation of the global system.
- *Cycle of Fear* provides an example of how concerns about proliferation might increase to the point that large-scale intrusive security measures are taken to prevent outbreaks of deadly attacks, possibly introducing an Orwellian world.

Of course, these scenarios illustrate just a few of the possible futures that may develop over the next 15 years, but the wide range of possibilities we can imagine suggests that this period will be characterized by increased flux, particularly in contrast to the relative stasis of the Cold War era. The scenarios are not mutually exclusive: we may see two or three of these scenarios unfold in some combination or a wide range of other scenarios.

## Policy Implications

The role of the United States will be an important shaper of the international order in 2020. Washington may be increasingly confronted with the challenge of managing—at an acceptable cost to itself—relations with Europe, Asia, the Middle East, and others absent a single overarching threat on which to build consensus. *Although the challenges ahead will be daunting, the United States will retain enormous advantages, playing a pivotal role across the broad range of issues—economic, technological, political, and military—that no other state will match by 2020.* Some trends we probably can bank on include dramatically altered alliances and relationships with Europe and Asia, both of which formed the bedrock of U.S. power in the post-World War II period. The EU, rather than NATO, will increasingly become the primary institution for Europe, and the role which Europeans shape for themselves on the world stage is most likely to be projected through it. Dealing with the U.S.-Asia relationship may arguably be

more challenging for Washington because of the greater flux resulting from the rise of two world-class economic and political giants yet to be fully integrated into the international order. Where U.S.-Asia relations lead will result as much or more from what the Asians work out among themselves as any action by Washington. One could envisage a range of possibilities from the United States enhancing its role as balancer between contending forces to Washington being seen as increasingly irrelevant.

The U.S. economy will become more vulnerable to fluctuations in the fortunes of others as global commercial networking deepens. U.S. dependence on foreign oil supplies also makes it more vulnerable as the competition for secure access grows and the risks of supply side disruptions increase.

***While no single country looks within striking distance of rivaling U.S. military power by 2020, more countries will be in a position to make the United States pay a heavy price for any military action they oppose.*** The possession of chemical, biological, and/or nuclear weapons by Iran and North Korea and the possible acquisition of such weapons by others by 2020 ***also increase the potential cost of any military action by the United States*** against them or their allies.

The success of the U.S.-led counterterrorism campaign will hinge on the capabilities and resolve of individual countries to fight terrorism on their own soil. Counterterrorism efforts in the years ahead—against a more diverse set of terrorists who are connected more by ideology than by geography—will be a more elusive challenge than focusing on a centralized organization such as al-Qa’ida. ***A counterterrorism strategy that approaches the problem on multiple fronts offers the greatest chance of containing—and ultimately reducing—the terrorist threat.*** The development of more open political systems and representation, broader economic opportunities, and empowerment of Muslim reformers would be viewed positively by the broad Muslim communities who do not support the radical agenda of Islamic extremists.

Even if the numbers of extremists dwindle, however, the terrorist threat is likely to remain. The rapid dispersion of biological and other lethal forms of technology increases the potential for an individual not affiliated with any terrorist group to be able to wreak widespread loss of life. Despite likely high-tech breakthroughs that will make it easier to track and detect terrorists at work, the attacker will have an easier job than the defender because the defender must prepare against a large array of possibilities. The United States probably will continue to be called on to help manage such conflicts as Palestine, North Korea, Taiwan, and Kashmir to ensure they do not get out of hand if a peace settlement cannot be reached. However, the scenarios and trends we analyze in the paper suggest the possibility of harnessing the power of the new players in contributing to global security and relieving the United States of some of the burden.

***Over the next 15 years the increasing centrality of ethical issues, old and new, have the potential to divide worldwide publics and challenge U.S. leadership.*** These issues include the environment and climate change, privacy, cloning and biotechnology, human rights, international law regulating conflict, and the role of multilateral institutions. The United States increasingly will have to battle world public opinion, which has dramatically shifted since the end of the Cold War. Some of the current anti-Americanism is likely to lessen as globalization takes on more of a non-Western face. At the same time, the younger generation of leaders—unlike during the post-World War II period—has no personal recollection of the United States as its “liberator” and is more likely to diverge with Washington’s thinking on a range of issues.

In helping to map out the global future, the United States will have many opportunities to extend its advantages, particularly in shaping a new international order that integrates disparate regions and reconciles divergent interests.



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## Notes

1. *Hawalas* constitute an informal banking system.